

# Reserve Bank warns of consequences of new visa regulations

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The Reserve Bank has for the first time warned of, and quantified, the negative consequences of SA's new visa regulations on the economy.



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"The new administrative requirements accordingly have the potential to temporarily affect the number of tourists intending to visit SA," the Bank said in its quarterly bulletin released on Tuesday.

Statistics SA has already released data showing a drop in tourist numbers. The Bank said this drop could be ascribed to new legislation requiring that visitors travelling with minors be in possession of unabridged birth certificates from June 1 this year. This was on top of another requirement for a personal appearance when applying for a visa to visit SA.

The government hopes to minimise human trafficking, particularly of children, through these new legislations.

The Bank said that preliminary estimations suggested that the level of gross travel receipts declined by about 9% in the second quarter of this year.

Given the growing importance of and contribution of the tourism sector to overall domestic economic activity, a deterioration in the level of travel receipts could contribute to a further widening of the deficit on the services, income and current transfer account, the Bank warned.

Spending by tourists in SA accounts for almost 95% of the travel receipts item "the largest revenue component in the services account of the balance of payments."

*Source: BDpro*

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